

STATE OF MAINE  
OFFICE OF SECURITIES  
121 STATE HOUSE STATION  
AUGUSTA, ME 04333

IN RE:

Harold Walter ("DJ") Maney III,  
d/b/a Maney Enterprises, Inc.,

PETITION FOR CEASE AND  
DESIST ORDER  
13-9174

The Staff of the Office of Securities ("the Staff"), by and through Karla Black, General Counsel, hereby petitions the Securities Administrator to issue a Cease and Desist Order against Harold Walter ("DJ") Maney, III and Maney Enterprises, Inc., for violating the Maine Uniform Securities Act. In support of this petition, the Staff states as follows:

**I. ALLEGATIONS**

1. Harold Walter ("DJ") Maney, III ("Maney") is the owner of Maney Enterprises, Inc. Maney's last known address is 61 PJ's Way, Wiscasset, Maine. The company's last known address is PO Box 342, Brunswick, Maine.

2. In early 2010, a 90-year old woman ("J.Y.") contacted Maney on the advice of a friend, to perform some construction work on her home.

3. While performing the repairs on J.Y.'s home, Maney approached J.Y. about investing in his company, Maney Enterprises, Inc. Maney told J.Y. that he had an opportunity to buy a tow truck and provide towing services in addition to his construction business, but that he needed money to make the purchase.

4. According to Maney, he told J.Y. she would get her money back plus interest in approximately 24 months.

5. On or around August 9, 2010, J.Y. wrote out two checks each for \$9,000 payable to Richard Muzzy and a third check payable to Maney for \$9,000.

6. On or around September 20, 2010, J.Y. gave Maney a fourth check for \$18,000 made payable to Maney Enterprises, Inc. and a fifth check made payable to Kay-Frances Mulligan ("Mulligan"), Maney Enterprises, Inc.'s Secretary and Treasurer, for \$2,000. All five checks were given by J.Y. directly to Maney.

7. At no point prior to investing with Maney did J.Y. receive any disclosures about the risks of her investment or any written documents evidencing her investment in Maney Enterprises, Inc.

8. At some point apparently after J.Y. invested with Maney, he provided her with a business plan for Maney Enterprises, Inc. The plan included profitability projections for Maney Enterprises, Inc. The projections showed a 42.9 percent gross profit in the first year, and 46.95 percent and 52.92 percent gross profits in years two and three respectively.

9. Maney later admitted to the Office that the profitability projections included in his business plan weren't based on any actual data or analysis, they were just made up.

10. Maney also provided J.Y. with an unsigned promissory note after she had invested with him. The note indicates that it was prepared on November 1, 2010 by Mulligan and provides that J.Y. had "given Maney Enterprises, Inc. the sum of \$47,000 as a personal investment." The note also indicates that repayment of J.Y.'s investment would be over the course of 28 months at \$2,000 per month for a total repayment of \$56,000. It also attached a repayment schedule showing payments to be made monthly between October 30, 2010 and January 30, 2013.

11. Maney later told the Office that he didn't know how to calculate J.Y.'s rate of return, so he just made up the repayment amount and schedule.

12. The Maney Enterprises, Inc.'s website accessed by the Office of Securities on or about January 12, 2011, contained a general solicitation for investors to invest in Maney Enterprises Inc.'s endeavor to buy a tow truck: "This simple proposal is to establish the need for monies to help get Maney Builders and Muzzey's Towing up and running. We are in need of purchasing a truck for Muzzey's Towing before the wonderful snows of Maine roll in, giving us an opportunity to generate a significant profit." The site directs interested investors to contact "Kay" who "will be more than happy to go into more detail about the proposal and simple rates of returns." This website has since been taken down.

13. Similarly, a Facebook page for Maney Enterprises, Inc., accessed by the Office on or about January 28, 2011, included posts by Maney Enterprises, Inc. dated November 11, 2010, November 22, 2010 and January 15, 2011 all soliciting new investors. These posts have since been removed.

14. Maney made only one payment to J.Y. pursuant to the repayment schedule of \$2,250 on or about October 30, 2010.

15. Maney and J.Y. have subsequently entered into a private settlement for repayment of the outstanding \$44,750. Upon information and belief, Maney made some payments pursuant to that settlement agreement but has now stopped and J.Y. has brought civil suit to enforce the settlement.

16. A security is defined to include both an investment contract and a promissory note. 32 M.R.S. § 16102(28). The investment that Maney offered and sold to J.Y. is a security.

17. At all times it has been unlawful to offer or sell a security in Maine unless the security is registered, exempt from registration, or a federal covered security. 32 M.R.S. § 16301.

18. At no time was J.Y.'s investment registered in Maine, exempt from registration, or a federal covered security.

19. Maney violated 32 M.R.S. § 16301 by offering and/or selling an unregistered security in Maine.


20. Under 32 M.R.S. §§ 16604(1) if the administrator determines that a person has engaged, is engaging or is about to engage in an act, practice or course of business constituting a violation of the Maine Uniform Securities Act the administrator may issue an order "directing the person to cease and desist from engaging in the act, practice or course of business or to take other action necessary or appropriate to comply with this chapter."

21. The order requested here is in the public interest because it will protect Maine investors by deterring future violations by Maney and Maney Enterprises, Inc. and others and will foster public confidence in the securities industry.

## II. REQUESTED ACTION

The Staff requests that the Securities Administrator order Maney and Maney Enterprises, Inc. to Cease and Desist from offering or selling securities in Maine in violation of securities registration requirements or otherwise from violating Maine securities laws and to order such other relief as may be just and equitable.

Date: December 2, 2013

  
Karla Black  
General Counsel  
Office of Securities